

MARKETING

Summer ads boost awareness for fast feeders

McD, BK, Hardee's, and Arby's register gains

By Bill Carlino
LINCOLN, Neb. — A steady volume of fast-food commercials flooding the airwaves during peak summer months helped McDonald's, Burger King, Hardee's, and Arby's register increases in ad awareness, according to the Nation's Restaurant News Adtrack Poll.

McDonald's, which captured 47 percent of consumers surveyed in August, jumped three points from the prior month, when it had edged up one point.

Burger King, which hadn't shown a change since the May poll, nudged ahead one point in August, to 14 percentage points. Arby's also moved ahead a point in August, although to only 2 percentage points. Hardee's gained a

point in July and stayed at five percentage points in August.

Only Wendy's didn't fare well. After a two-percentage point increase in June, equaling its high for the year at nine percentage points, the 3,950-unit hamburger chain showed a 2-percent dip in August, to seven points, despite the influx of the Hamburger A and "Express-Pak Meal" spots throughout markets nationwide.

In the NRN poll, SRI Research Center Inc., based here, asked a representative sample of 1,000 consumers across the country, "Of all fast-food advertising that you have read, seen, or heard in the last month, which advertising first comes to mind?"

North Carolina-based Hardee's, which in July had reflected its first increase since May, had been running a 30-

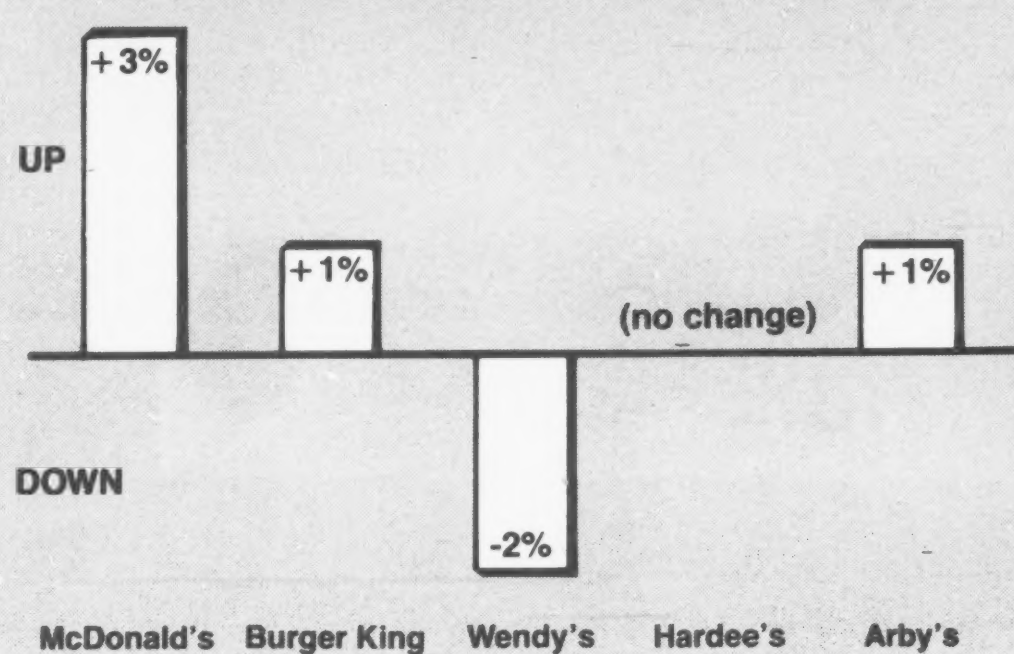
second spot featuring the California Raisins figurines, which are currently being sold at participating Hardee's units. The commercial had been airing in markets throughout 43 states.

"The California Raisins are one of the most visible characters in commercials today," said Jim Graves, director of advertising and promotion for Hardee's. "We feel that these spots are a unique way to raise customer awareness regarding Hardee's."

In preparation for the fall TV season, hamburger giants McDonald's and Burger King are ushering in a proposed heavy advertising campaign.

McDonald's is reintroducing Mac Tonight, the crescent-headed, piano-playing character, in a prime-time TV commercial blitz beginning

WHOSE FAST-FOOD ADS FIRST COME TO MIND?



Source: SRI Research Center Inc.

this month.

Burger King, which recently retained the services of prominent West coast director Leslie Dektor, now has a block of new commercials for

this fall aligning with the flame-broiling concept.

Arby's, meanwhile, is running new "Burger Boycott" commercials filmed in documentary style in Hope, Ind.

AD WATCH

Print Time: Joining the ranks of the automobile and packaged goods industry, McDonald's has been increasingly visible in national magazines lately, taking out full-page advertisements in such publications as Newsweek and Time. This ad for McDonald's packaged salads appeared in Newsweek.

"AdWatch" submissions should be either proofs, prints, or stills of a new print, direct mail, or television advertisement for a restaurant or restaurant chain, with accompanying information on the responsible agency name, if any, and the media time and placement schedule. Submissions should be sent to: Marketing Editor, Nation's Restaurant News, 425 Park Ave., New York, N.Y. 10022.

NRN MARKETING DIGEST

Church's shifts media-buying duties

SAN ANTONIO, Texas — Church's Fried Chicken, in a restructuring of its marketing program, has removed media-buying responsibilities from its full-service ad shop, the Bloom Agency in Dallas, to Western International Media in Los Angeles. The Bloom Agency will continue to handle television and radio creatives.

Savings generated from the move away from a full-service agency relationship will be reinvested in local field marketing efforts, said Wallace Winslow, vice president of marketing at Church's.

Earlier this year the Bloom Agency developed the fast feeder's "Big Pieces, Little Prices" campaign, which is expected to continue. Western International Media is one of the largest buyers of spot television and Hispanic media in the country.

Chi-Chi's celebrates new ads

LOUISVILLE, Ky. — Chi-Chi's said its new advertising campaign by D'Arcy Masius Benton & Bowles, St. Louis, "A Celebration of Food," is outpacing the previous "When You Feel a Little Mexican" campaign by axed agency Young & Rubicam, Chicago.

The "When You Feel a Little Mexican" campaign was considered a success, but Chi-Chi's said it wanted a new advertising direction before it became stale. Now in its third month, the "Celebration of Food" campaign shows Mexican food as a fun experience.

Mrs. Winner's rolls breakfast buffet

BRENTWOOD, Tenn. — In a stab at building morning traffic, the Mrs. Winner's fast-food chicken chain has outfitted test units with a breakfast buffet.

Meanwhile, the 140-store system, which the Winners Corp. operates, is adding a line of breakfast muffins that are baked on premises.

Winners has gained experience with an all-you-can-eat buffet through the addition of the SuperBar spread at 17 of its franchised Wendy's units.

Bob Evans launches logo items

COLUMBUS, Ohio — Bob Evans Farms, a 214-unit, family-style restaurant chain based here, is merchandising its first chainwide items featuring the company logo.

For \$3.95, customers can purchase a corduroy cap with the Bob Evans Farms emblem; for \$1, an NFL coffee mug with the team symbols of the Pittsburgh Steelers, Tampa Bay Buccaneers, Cleveland Browns, and Cincinnati Bengals. The coffee mug offer includes a free carry-out coffee and a \$3 coupon pack for discounts on Bob Evans food.

The baseball caps are available through September, while the NFL mug promotion is scheduled to run through Thanksgiving.

**Capital restaurants
battle for prominence**

Focus section follows page 30

Washington
D.C.
Dinner
S

00133900 MS JEANNE LONG
CONGRESSIONAL INFORMATION LLY
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BETHESDA MD 20814

**Chicago operators
live with smoke law**

Midwest Report/Page 14

Nation's Restaurant News®

The Weekly Newspaper of the Food-Service Industry

Vol. 22, No. 39

Published every Monday by Lebhar-Friedman Inc.; \$2 a copy, \$26.50 a year

September 26, 1988



NRN Photo

Crews at helicopter station near Gardiner, Mont., send chopper skyward with cargo net of hot meals for firefighters.

Feeding the firefighters: Caterers share the risks

By Alan Liddle
MAMMOTH HOT SPRINGS, Wyo. — A small but specialized band of camp caterers is leading efforts to feed the legions of firefighters now battling wildland blazes in the West.

At the heart of food-service support for firefighters, whose ranks swelled to 30,000 in recent weeks, are 12 Western catering companies under con-

tract to the Boise Interagency Fire Center in Boise, Idaho.

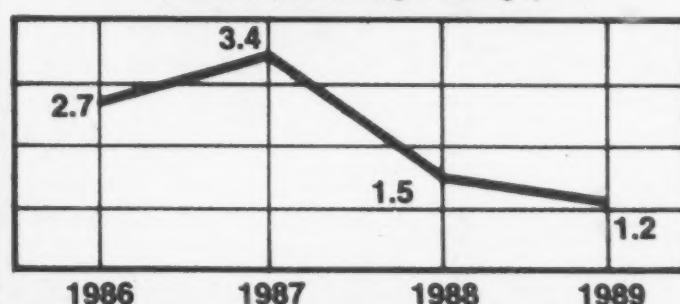
Because no one can predict where fires will start, and because the fire center tries to use the contractor closest to any given fire, financial uncertainty comes along with a national contract.

"It's the biggest horse race and crapshoot in the world," John Keener of Seattle-based (See **FIREFIGHTERS**, page 4)

IFMA forecasts slowdown in '89

THE IFMA FORECAST

Total Food-Service Industry Growth Rate*
(Annual percentage change)



* Adjusted for inflation. Excludes beverage sales.
Source: International Foodservice Manufacturers Association
1988 Forecast and Outlook

By Peter J. Romeo

NEW YORK — The downturn that has plunged nearly a quarter of the food-service industry into a recession this year will intensify in 1989, capping real sales growth at a paltry 1.2 percent, according to a highly regarded forecast.

The slowdown will be particularly severe for restaurants. Food sales at what the government defines as "separate eating places" will creep upward by a mere 0.9 percent in real or inflation-adjusted terms, according to the International Foodservice Manufacturers Association's 1988 Foodservice Outlook and

(See **IFMA**, page 130)

Bush now backs wage-hike bill

By Ken Rankin

WASHINGTON — In an abrupt shift of position, Republican presidential candidate George Bush dropped his blanket opposition to a federal minimum-wage increase and voiced support for compromise legislation to raise the current \$3.35 hourly pay rate.

A key element in the approach Bush endorsed is a new "training wage," under which employers would be allowed to hire inexperienced workers at a special subminimum rate. One training wage plan now widely discussed in Washington would permit the hiring of new employees at 85 percent of the

(See **BUSH**, page 130)

Greek-American operators like Mike

Greeks offer time and money to send Dukakis to the White House.

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FOOD WATCH

Edible orchids

CHICAGO — Flowers are the theme at Jackie's 50-seat restaurant on North Lincoln Avenue—from the fake ones in colorful oil paintings and on the china to the real ones decorating the double-clothed tables and the food.

Many of chef-owner Jackie Shen's signature dishes are garnished with edible orchids. For instance, al dente black fettuccine in a light butter sauce is laced with scallions, sesame seeds, and sun-dried tomatoes; strewn with gently cooked sea scallops and shrimp; and complemented by teardrop tomatoes, oak-leaf lettuce, and an edible orchid.

Also, Shen's striped sea bass is served with its shimmering, silver-and-black-striped skin side up in a pool of beurre blanc with a hint of lime; decorated with avocado slices; flanked by a couple of lightly cooked shrimp and teardrop tomatoes; ringed by a few leaves of oak-leaf lettuce; and finished with an edible orchid.

Physically, Jackie's is done in neutral tones with dark wood wainscoting, gray carpeting, etched-glass panels, and a large, strategically placed mirror. Classical or New Age music usually plays softly in the background

—Ken Frydman

Taco Bell vendor charged in sweepstakes rigging

By Marilyn Alva

LOS ANGELES — The big Taco Bell sweepstakes in 1986 was called "Wheels, Reels and Meals" and promised the lucky winners such prizes as a \$28,500 Corvette and \$25,000 in cash.

But a two-year investigation by the Mexican fast-food chain and federal authorities has shown that the heavily advertised sweepstakes should perhaps have been named "Wheels and Deals."

A federal grand jury indictment is-

sued here recently alleges that the Taco Bell contest was rigged so that major prize winners were not legitimate, randomly selected customers, but friends and relatives of executives at the company that ran the high-stakes promotion, C&K Marketing of Englewood Cliffs, N.J.

Two C&K Marketing executives as well as three of their relatives and friends were charged with mail and wire fraud in connection with the al-

leged prize-rigging scam and are scheduled to go to trial Nov. 1.

According to the indictment, C&K's president and vice president, respectively, John Edward Curtin III and Kevin Joseph Kissane, arranged that a friend, James Frederick Lee of San Diego, Calif., be listed as the winner of the grand prize Corvette and that it be shown he had "opted for" \$28,500 in cash instead of the car. The indictment

(See **SWEEPSTAKES**, page 130)

BERNSTEIN: PIECEMEAL LEGISLATION, COMBINED DISASTER — page F3

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NEWS DIGEST

General Mills puts York on the auction block

ORLANDO, Fla. — General Mills said it has decided to sell its 100-unit York steak-house chain after failing to reposition the 12-year-old concept as an all-you-can-eat buffet.

The sale will free up capital for the expansion of General Mills' two healthy dinner-house systems, 467-unit Red Lobster and 105-store Olive Garden, said Joe Lee, president of the conglomerate's restaurant division.

He did not disclose the asking price for York, which has fared poorly in recent years. Last year General Mills converted almost half of the chain to a smorgasbordlike concept called York's Choice.

Sale of TW stake breeds reports of a takeover try

NEW YORK — An unidentified party's purchase of a 15-percent stake in TW Services has thrown Wall Street into a fit of speculation about who might be mobilizing for a takeover of the food-service giant.

TW, the nation's fourth-largest food-service concern, operates Denny's, Canteen Corp., 400 franchised Hardee's units, and the Quincy's steak-house chain.

Marriott Corp. and Imasco Ltd., operator of the Hardee's hamburger chain, have both said they are not the buyer of the stake, which corporate raider Ronald O. Perelman sold.

Neither Hanson PLC, operator of the Ground Round dinner-house chain, nor Grand Metropolitan PLC, parent of Intercontinental Hotels, would address reports that it had pocketed the shares for about \$137 million.

The speculation has also identified Carl Icahn, the corporate raider whose holdings include Transworld Airlines, as the possible buyer.

Icahn has neither confirmed nor denied the reports.

TW would not comment on the matter.

Pizza Hut gives Huston 'concept creation' duties

WICHITA, Kan. — In what Pizza Hut describes as a strategic "realignment" to enhance growth opportunities, the chain has shifted Allan Huston from a top financial post to senior vice president of development.

In that newly created perch, Huston is responsible for "the creation and refinement of operations concepts to assure future competitiveness," Pizza Hut said.

His duties also include new concept development, acquisitions, purchasing, and overseeing management information services.

Huston was reassigned to that job as part of a "realignment to place a heavier emphasis on the growth areas," Pizza Hut said.

Wendy's previews series of products rollouts, tests

DUBLIN, Ohio — Wendy's, in a preview of coming menu attractions, told its shareholders it is rolling out a bacon swiss burger for a limited-time fall promotion.

Meanwhile, the chain said, the Superbar buffets of selected test units have been outfitted with new breakfast products, Oriental foods, ravioli, chicken tacos, and taco salad. The sales trials are in the early stages, Wendy's noted.

The bacon swiss sandwich, which was tested this summer, consists of a quarter-pound burger topped with bacon, swiss cheese, lettuce, tomato, and a sauce.

McDonald's wins fight over McSleep brand name

BALTIMORE — McDonald's has won its legal battle to stop Quality International from using the name "McSleep Inns" on a new chain of budget-rate motels.

A federal judge here agreed with McDonald's that the McSleep name would be confused with that of the fast-food chain. Quality said it would rename the properties "Sleep Inns."

Foley exits Hyatt post to follow Lynch at DHL

CHICAGO — Patrick Foley has resigned as chairman of Hyatt Hotels Corp. to assume the posts of chairman, president, and chief executive at DHL Corp., the overnight shipping service.

His successor at Hyatt has not yet been named.

At DHL, Foley fills the void left by the resignation of another hospitality industry veteran, former Saga Corp. chairman Charles Lynch. He had left DHL to participate in a leveraged buyout of the company that manufactures and markets Levelor Venetian blinds.



Foley

Trump gives Sailhac top F&B job at Plaza

NEW YORK — After several months of speculation, Donald Trump has confirmed that he will entrust a revamp of the Plaza Hotel's food-and-beverage operations to Alain Sailhac, the renowned former chef of the "21" Club and Le Cirque.

In recent advertisements themed "why I bought the Plaza," Trump vowed to restore the landmark hotel to its former grandeur in part by elevating the quality of its various restaurants.

The local restaurant scene had been rife with reports that Trump would assign the task to Sailhac. But the Plaza's staff had downplayed the reports. Shortly afterward, Trump told local reporters he that he had indeed hired Sailhac.

Gilbert/Robinson execs said to be planning deal

KANSAS CITY, Mo. — Four executives of Gilbert/Robinson, operator of the Houlihan's and Darryl's casual-theme chains, plan to buy 16 restaurants from parent company Restaurant Enterprises Group Inc., according to local press coverage.

According to one report, the prospective purchasers are founder Paul Robinson, currently vice president of design and concept development; Richard May, president, Specialty Restaurant Division; Judy Williams, vice president of operations, Specialty Restaurant Division; and Marvin Clark, chief financial officer.

Clark declined to comment; the others were not immediately available.

British company acquires 70% stake in Taco Viva

FORT LAUDERDALE, Fla. — Vista Group, a British holding company, has swapped \$1.5 million in cash and more than \$4 million in unspecified assets for a 70-percent stake in Taco Viva, the 60-unit Mexican fast-food chain based here.

Vista acquired the interest from Taco Viva and the fast feeder's chairman, J. Brian Foulke. It was not clear whether Foulke will retain his post.

In a related development, Taco Viva has agreed to take under its wing the Cisco's five-unit flame-broiled chicken chain. After the merger is completed, Cisco's founder, Thomas H. Gooding, will join Taco Viva's management team.

Terms of that arrangement were not disclosed.

Sea Galley diversifies in purchase of 2 stores

MOUNTLAKE TERRACE, Wash. — Sea Galley Stores, operator of a 48-unit quick-service seafood chain, is branching into retailing through the acquisition of two Ranch & Home stores in Washington.

The outlets, which were acquired from Ranch & Home Supply Inc., specialize in Western garb, hunting and fishing gear, and farming and ranching supplies.

Details of the transaction were not disclosed.

FOCUS | VIEWPOINT

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Piecemeal legislation: combined disaster

A stream of oppressive government regulations has put se-
vere pressure on restaurants over the past few years. When
each bill is taken individually, it may not seem like a tragedy.
Lumped together, however, they have a devastating cumula-
tive effect.

It is all coming to a head now with a minimum-wage bill near-

ing a vote at
presstime on
the Senate
floor and a
House ver-
sion also
looming be-
fore Con-
gress ad-
journs in

Editor's Corner

Charles Bernstein



early October for fall election campaigning. A watered-down
parental-leave-benefits bill also is coming up for a vote.

If only things could return to the good old days of the 1960s
when the government did not care about the food-service in-
dustry in particular and just left it alone! But we can't turn
back the clock.

With the industry's rise in popularity and prominence, it in-
creasingly has come under siege as the favorite government
whipping boy for obtaining more revenues. Unfortunately, op-
erators have remained all too silent in the face of the attacks.

Thus the 80-percent meal tax deductibility was passed al-
most two years ago, with the implicit threat of being further
chipped away. Anyone who thinks it really does not matter
should have seen the looks on corporate accountants' faces
when the taxes were reviewed early this year. Corporations
are taking an extrahard look at these expenditures, much to
the detriment of fine-dining establishments.

At the same time the industry is being hammered with con-
tinued oppressive tip-reporting provisions and—since Jan.
1—with the FICA tax on employee tips, a senseless require-
ment unless a 100-percent tip credit is allowed rather than the
current 40 percent. Yet all we hear is that Congress may raise
the tip credit only slightly and that the full FICA tax will re-
main.

Once again the little guy gets hurt, becoming the victim of
provisions intended to protect him. The bureaucratic red tape
alone is enough to drive people out of business. The legislation
is particularly reprehensible in the light of the Reagan admin-
istration's original pledge to sharply reduce the overfatted
bureaucracy.

Extensive company-paid health-care benefits loom for 1989
as the next step in the indecipherable maze. The problems here
are that food-service operators will pay far more than a fair

share of these benefits and that skyrocketing insurance premi-
ums also will result.

Although many allege that the industry keeps crying wolf, it
is almost certain that higher minimum wages will cost jobs. In
combination, all the measures are exacting a terrible toll on
restaurants.

But senators and congressmen appear to view every bill as a
separate one. They seem to feel that, taken separately, each
one is a perfect instrument for producing more government
revenues—a chief objective of the administration.

Not nearly enough attention has been called to the fact that
these measures in unison are a combined assault actually
threatening to beat down the restaurant industry. This is not
what Congress had in mind when it enacted each bill. But each
senator and congressman seems to wear blinders and not want
to notice the cumulative effects.

It is up to restaurateurs to make their views known on the
Hill, to tell their own senators and congressmen that these are
not just a few jabs, but rather a series of deadly punches that
can be a powerful knockout blow to the industry.

Meal expense deductions are still threatened on every front.
Sen. Bill Bradley, D-N.J., has signaled an assault on such de-
ductions by launching a Senate bill that would summarily elim-
inate business entertainment and meal deductions for individ-
ual owners with annual net incomes exceeding \$440,000 and
gradually reduce the deduction percentage for those with net
incomes between \$360,000 and \$440,000. A whittling away at
the current 80-percent allowable deduction also can be antici-
pated for people at all income levels.

Regardless of whether George Bush or Michael Dukakis is
elected in November, it is imperative for the food-service in-
dustry to maintain pressure now on Congress and to continual-
ly emphasize the damaging effects of all the combined legisla-
tion on restaurants.

We urgently need far more voices like that of 1988-89 Na-
tional Restaurant Association president Jim Peterson, who
this month ripped into Congress and the long succession of
anti-restaurant legislation. Some congressmen and govern-
ment officials well may be angry at Peterson's remarks. But he
told it like it is, asserting that the government "is milking our
industry for revenues" and is "picking on our industry" instead
of solving other pressing problems of society.

The net results of the government's actions, accompanied by
economic factors and restaurant saturation, are a decline in
restaurant revenues, profits, and potentially in jobs. Few sen-
ators and congressmen seem to grasp the implications, and it is
up to individual restaurateurs to make them aware.

Otherwise, it is no exaggeration to say that all too many res-
taurants literally will be legislated out of existence.

LETTERS

Graduates: job rewards wait in the 'real world'

Editor, NRN:

I would like to comment on Atid Kap-
lan's Aug. 8 column—"Goodbye, hotel
and restaurant school; hello, real
world"—about the many differences be-
tween restaurant school and the "real
management" world.

He was right on target. I worked my
way up from the kitchen to manager of a
local pizza parlor. Sixty-hour work
weeks, being on call 24 hours a day, every-
day, and that "social adjustment" are all
parts of the job.

Recent graduates of restaurant man-
agement courses should read Kaplan's
column carefully. There can be great re-
wards in management for those who en-
dure.

—Bill Brockmiller
Urbana, Ill.

College only 1st step: good luck, graduates

Editor, NRN:

Ding, dong! Bing, bang, bong! Wow!
Did bells ever go off as I read Professor

Atid Kaplan's Aug. 8 column, "Goodbye,
hotel and restaurant school; hello, real
world."

Michigan State University (HRI, '78)
was a great place to start. But it's only
the first step in a long, hard, but reward-
ing journey.

Good luck, graduates!

—Kevin McCarthy
C. Mascari & Associates Food Brokers
Grand Rapids, Mich.

Insights on equipment, maintenance appreciated

Editor, NRN:

Please accept our grateful and sincere
thank you for the tremendous article
that Pat Patterson wrote regarding
equipment insights and preventive
maintenance.

This is tremendous information and will
go a long way toward resolving service sit-
uations that exist out in the field. The arti-
cle was well written and informative.

Thanks for the good job being done by
Nation's Restaurant News in this area.

—James E. Milleville
president
United Marketing Associates
Livonia, Mich.

For value and service, don't forget Pizzeria Uno

Editor, NRN:

Your July 18 editorial, entitled "The
winning touch: family dinner houses,"
was largely on target concerning the
general malaise in the restaurant indus-
try. The success of the five chains you
cited is certainly due to their perceived
value and service; whether Chili's and
Roma's can be characterized as family
restaurants in less certain.

More importantly, another chain de-
serves to be included in your short list of
current successes: Pizzeria Uno. It's
newest unit at 81st St. and Columbus
Avenue on New York's trendy upper
West Side is a perfect example of how to
build a loyal customer following.

Unlike its competitors in that area,
Pizzeria Uno did not open with high
prices, shoddy service, and questionable
food. As a result it has done record vol-
ume and, more importantly, gotten rave
reviews by those who count the most—
customers.

—John Gerlach
Bear, Stearns & Co. Inc.
board member
The Uno Restaurant Corp.